

## Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 CIAE-00 COME-00 EB-08 INR-10  
LAB-04 NSAE-00 SIL-01 DODE-00 PM-05 H-01 L-03  
NSC-05 PA-01 SP-02 SS-15 USIA-06 FTC-01 JUSE-00  
DOE-11 SOE-02 /101 W  
-----108369 032255Z /72-62

R 032029Z MAR 78  
FM AMEMBASSY MADRID  
TO SECSTATE WASHDC 3702  
INFO AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY LISBON  
AMEMBASSY LONDON  
AMEMBASSY OSLO  
AMEMBASSY PARIS  
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USEEC AND USOECD ALSO FOR EMBASSIES

E.O. 11652: N/A  
TAGS: ELAB, PINT, SP  
SUBJECT: LABOR ELECTIONS/HIGHLIGHT ON U.S. MULTINATIONAL  
FIRMS

REF: MADRID 1938

1. SUMMARY. EMBASSY HAS FOLLOWED WITH PARTICULAR INTEREST  
THE PROGRESS OF LABOR PLANT COMMITTEE ELECTIONS AT THE  
LARGER US MULTINATIONAL COMPANIES OPERATING IN SPAIN.  
IN GENERAL, WE FIND THE RESULTS VERY SIMILAR TO THOSE  
AT SPANISH FIRMS OF SIMILAR SIZE AND LOCATION. WHILE  
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THE ALLEGED SINS OF THE MULTINATIONALS ARE A FAIRLY COMMON  
TOPIC ON THE POLITICAL AND TRADE UNION LEFT, THIS DOES  
NOT APPEAR TO HAVE TRANSLATED INTO ANY UNUSUAL BITTERNESS  
IN THEIR LABOR ELECTIONS. IN PARTICULAR, THE FAR-LEFT  
SPLINTERS LIKE SU, CSUT AND LAB (BASQUE REGION) DO NOT  
APPEAR TO BE RUNNING SIGNIFICANTLY BETTER AT THE AMERICAN  
FIRMS THAN OTHERWISE. MEANWHILE, NATIONWIDE ELECTION

RESULTS CONTINUE TO FAVOR COMMUNIST-DOMINATED WORKERS' COMMISSIONS (SWC) OVER SOCIALIST UGT, WITH THE CURRENT MARGIN -- DEPENDING ON SOURCE -- ABOUT SEVEN PERCENT (EFE NEWS AGENCY) OR THIRTEEN PERCENT (MINISTRY OF LABOR).  
END SUMMARY.

2. RESULTS TO DATE (SOME REPORTED PREVIOUSLY) FOR THE LARGEST U.S. MULTINATIONAL FIRMS IN SPAIN (IN ORDER OF SIZE):

--STANDARD ELECTRICA (ITT): 19,000 WORKERS, MAINLY MADRID AREA: SWC OVER UGT BY 72 DELEGATES TO 47, ALTHOUGH SWC FELL SHORT OF AN OVERALL MAJORITY. THIS RESULT WAS CONSIDERED GOOD FOR UGT, SINCE SWC HAS TRADITIONALLY CONTROLLED THE STANDARD ELECTRICA PLANT COMMITTEE (REF MADRID 1938).

--ALTOS HORNOS DE VIZCAYA (MINORITY US STEEL): 14,000 WORKERS: RESULTS STILL INCOMPLETE, BUT UGT OVER SWC BY 21 TO 12 DELEGATES (REF MADRID 1012) AT THE MAIN BILBAO STEEL MILLS, WHICH EMPLOY 8,000.

--CHRYSLER: 15,000 WORKERS, MADRID: A COLLECTIVE BARGAINING STALEMATE HAS GONE TO "LAUDO" (COMPULSORY GOVERNMENT ARBITRATION) SOME TIME AGO, AND THE TWO MAIN UNIONS AT CHRYSLER(SWC AND UGT) ARE OPPOSING PLANT LIMITED OFFICIAL USE

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COMMITTEE ELECTIONS AT LEAST UNTIL THE CONTRACT NEGOTIATION IS SETTLED. THERE IS NO INDICATION WHEN THAT MAY BE, AND THE WORKERS' BARGAINING COMMITTEE BEGAN A SIT-DOWN STRIKE MARCH 1.

--FORD: 10,000 WORKERS, NEARLY ALL AT THE VALENCIA PLANT: PLANT COMMITTEE ELECTIONS WERE HELD UNDER THE OLD LAW IN NOVEMBER 1977. UGT BOYCOTTED, ALLOWING INDEPENDENT SOCIALIST USO AND SWC TO WIN. UGT IS DEMANDING NEW ELECTIONS, AND MANAGEMENT EXPECTS THEM TO BE HELD IN ABOUT ONE MONTH. MEANWHILE, CONTRACT BARGAINING IS DEADLOCKED AND HAS GONE TO "LAUDO".

--FIRESTONE HISPANIA: 6,500 WORKERS: PRELIMINARY RESULTS FAVORED THE BASQUE STV UNION (MADRID 1300), BUT RESULTS FROM THE THREE MAJOR PLANTS (ALL IN NORTHERN SPAIN) NOW SHOW UGT WITH 26 DELEGATES, FAR LEFT SU WITH 25, SWC WITH 16, AND THE STV FOURTH WITH 13.

--EMP. NACIONAL DE PETROLEOS (MINORITY TEXACO): 5,600 WORKERS: NO ELECTIONS ARE KNOWN TO HAVE BEEN HELD AS YET.

--ALTOS HORNOS DEL MED. (MINORITY US STEEL): 5,300 WORKERS,

NEARLY ALL AT THE VALENCIA STEEL MILLS: 24 DELEGATES  
FOR SWC, 9 UGT, AND 3 INDEPENDENTS.

--GENERAL ELECTRICA ESPANOLA (G.E.): 4,800 WORKERS: AT  
TWO LARGE BILBAO PLANTS, WHICH ACCOUNT FOR NEARLY ALL  
OF NATIONAL EMPLOYMENT, AN SWC-DOMINATED COALITION TOOK  
FIRST PLACE WITH 16 DELEGATES. THE BREAKAWAY STV(A)  
FACTION HAD A RARE SUCCESS, TAKING SECOND WITH 15, WHILE  
UGT HAD 11.

--WESTINGHOUSE, SA: 3,600 WORKERS: UGT BEAT SWC BY 13 TO  
10 AT BASQUE PLANTS REPRESENTING ABOUT ONE-HALF OF THE  
NATIONAL WORK FORCE.

--MARCONI ESPANOLA (ITT): 3,500 WORKERS: THE OLD PLANT  
COMMITTEE IS CONTROLLED BY SWC, AND UNION DISAGREEMENTS  
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OVER ELECTION TECHNICALITIES HAVE BLOCKED NEW ELECTIONS.

--CITESA (ITT): 3,400 WORKERS: BASICALLY THE SAME  
SITUATION AS AT MARCONI ESPANOLA. USO HAS SOME INFLUENCE

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USEEC AND USOECD ALSO FOR EMBASSIES

AT THE MALAGA PLANT, AND WITH HELP OF SWC HAS EFFECTIVELY STALLED ELECTIONS.

--IBM: 3,300 WORKERS: A COALITION SWC/USO/CSUT WON AT TWO LARGE PLANTS NEAR MADRID, 19 TO 16 OVER "LEFTIST INDEPENDENTS" (MANY PRO-SWC); UGT ELECTED ONLY TWO DELEGATES.

--FABRELEC (WESTINGHOUSE): 3,000 WORKERS: AT THE 1900-WORKER BILBAO PLANT, THE INDEPENDENT SOCIALIST USO TRADE UNION TOOK FIRST PLACE WITH 7 DELEGATES, FOLLOWED BY STV WITH 6 AND UGT WITH 5.

3. AMCONSULATE BILBAO HAS COMPUTED ELECTION RESULTS FOR LIMITED OFFICIAL USE

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ALL KNOWN AMERICAN COMPANIES IN THEIR DISTRICT, INCLUDING SOME THAT ARE QUITE SMALL. OVERALL, THEY SHOW 367 DELEGATES ELECTED. NINETY-ONE (25 PERCENT) ARE UGT, 89 (24 PERCENT) ARE SWC, AND 53 (14 PERCENT) ARE INDEPENDENTS. THE FAR-LEFT SU HOLDS FOURTH PLACE, DUE ALMOST EXCLUSIVELY TO ITS POCKET OF STRENGTH AT FIRESTONE (SEE ABOVE). THE STV FOLLOWS WITH 30 DELEGATES (8 PERCENT), NARROWLY BEATING OUT ITS RIVAL STV(A) FACTION WITH 29 (8 PERCENT). OVERALL ELECTION RESULTS FOR ALL COMPANIES IN BASQUE COUNTRY ARE UNUSUALLY SPLINTERED BY NATIONAL STANDARDS, AND RESULTS FOR AMERICAN FIRMS FALL WITHIN THIS LOCAL TREND.

4. AMCONSULATE BARCELONA HAS COMPUTED RESULTS FOR ALL LOCAL US FIRMS THAT HAVE HAD ELECTIONS VERSUS OVERALL RESULTS IN CATALUNYA. IN PERCENTAGE TERMS, SWC IS TAKING 56.5 PERCENT OF THE DELEGATES AT AMERICAN FIRMS, VERSUS 60 PERCENT AT ALL FIRMS. UGT IS TAKING 24 PERCENT, VERSUS 20 PERCENT OVERALL, WHILE INDEPENDENTS HAVE 11 PERCENT VERSUS 10 PERCENT OVERALL. THIS SLIGHT VARIANCE IN FAVOR OF UGT IS DOUBTLESS DUE TO THE RELATIVELY LARGER SIZE OF THE TYPICAL US FIRM: NATIONALLY, UGT TENDS TO RUN BETTER IN LARGER PLANTS. OF THE LARGER US COMPANIES IN CATALUNYA, FOSTER WHEELER (2,400 WORKERS) ELECTED 27 DELEGATES, OF WHICH SWC TOOK 12 AND UGT 11. AT GALLINA BLANCA (BORDENS), WITH 2,000 WORKERS, SWC TOOK 23 OF THE 25 DELEGATES, THE CSUT TOOK 2, AND UGT WAS SHUT OUT. SWC STRENGTH AT THIS COMPANY HAS BEEN VERY STRONG FOR YEARS. AT ARMCO STEEL, SWC BEAT UGT BY 8 TO 3.

5. US MULTINATIONALS ARE NOT PARTICULARLY ACTIVE IN  
THE SEVILLA CONSULAR DISTRICT. AT THE CRUZ CAMPO BREWERY  
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(1,500 WORKERS, THE LARGEST SINGLE BREWERY IN SPAIN,  
MINORITY OWNED BY SCHLITZ), 21 DELEGATES WERE ELECTED:  
9 SWC, 7 INDEPENDENTS, 4 CSUT AND ONLY ONE UGT. A  
MEDIUM-SIZED GENERAL ELECTRIC PLANT HAS YET TO VOTE.  
AT BOEING, UGT TOOK 6, SWC 2, AND INDEPENDENTS 1.  
OVERALL, ABOUT TWO-THIRDS OF THE COMPANIES THAT HAVE  
ANNOUNCED ELECTIONS IN THE SEVILLA AREA HAVE NOW HELD  
THEM. "OFFICIAL" LABOR MINISTRY FIGURES SHOW SWC OVER  
UGT BY NEARLY TWO TO ONE, WITH ABOUT ONE-THIRD  
"UNAFFILIATED" OR INDEPENDENT.

6. IN THE MADRID CONSULAR DISTRICT, WHICH INCLUDES  
VALENCIA, MANY OF THE LARGEST US COMPANIES HAVE YET

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TO VOTE. THIS INCLUDES CHRYSLER, FORD, MARCONI AND CITESA. THIS SITUATION IS NOT PECULIAR TO US MULTINATIONALS: OF THE TOP TWELVE EMPLOYERS IN SPAIN SIX, INCLUDING THE TOP FOUR, HAVE YET TO VOTE.

7. NATIONALLY, OVERALL ELECTION RESULTS CONTINUE WITHIN PREVIOUSLY REPORTED TRENDS. LATEST EFE NEWS AGENCY FIGURES, AS REPORTED IN THE MADRID PRESS MARCH 1, SHOW SWC LEADING WITH 37.9 PERCENT OF THE 80,000 DELEGATES ELECTED THUS FAR, FOLLOWED BY UGT WITH 31 PERCENT. INDEPENDENTS HAVE 11.5 PERCENT, THE USO FOLLOWS WITH 5.4, AND THE FAR-LEFT CSUT HAS AROUND 4.3 PERCENT.  
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THE REGIONAL BASQUE STV HAS 3.5 PERCENT OF THE NATIONAL TOTAL, AND THE OTHER FAR-LEFT NATIONAL UNION, THE SU, TRAILS WITH 3 PERCENT. AT A DISTANCE, ALL WITH LESS THAN ONE PERCENT, COME THE BASQUE FAR-LEFTISTS OF LAB, THE STV(A) FACTION, AND THE ANARCHO-SYNDICALIST CNT (WHICH IS BOYCOTTING THE ELECTIONS OFFICIALLY, ALTHOUGH SOME LOCAL MEMBERS HAVE RUN REGARDLESS). "OFFICIAL" RESULTS FROM MINISTRY OF LABOR CONTINUED TO SHOW A WIDER GAP BETWEEN SWC AND UGT, AND A SMALLER TOTAL SHARE FOR THE TWO BIG UNIONS. LATEST FIGURES, AS OF FEBRUARY 25 AND RELEASED MARCH 1, SHOW SWC 35.5 PERCENT, UGT 22.7 PERCENT, 19.2 PERCENT "AFFILIATION UNKNOWN" AND 11 PERCENT INDEPENDENTS. BY PROVINCES, SWC LEADS IN 29, UGT IN 21. IN THE SWC COLUMN ARE ALL THE MAJOR SPANISH INDUSTRIAL AREAS EXCEPT VIZCAYA (UGT) AND GUIPUZCOA (WHERE THE EFE AGENCY SHOWS SWC, BUT "OFFICIAL" RESULTS SHOW A TIE SWC-STV).

8. UGT INTERNATIONAL SECRETARY MANUEL SIMON COMMENTED AS FOLLOWS TO EMBASSY MARCH 3. SOME 1,300,000 WORKERS (OR ABOUT 25 PERCENT OF THOSE ELIGIBLE TO VOTE) HAD SO FAR CAST THEIR BALLOTS IN THESE "PARTIAL" PLANT ELECTIONS, WHICH IT NOW APPEARED MIGHT DRAG ON THROUGH APRIL IF NOT LATER. NEWLY DESIGNATED SECOND VICE PRESIDENT ABRIL MARTORELL, DURING A RECENT MEETING WITH UGT SEC GEN NICOLAS REDONDO, HAD ADMITTED THAT THE SO-CALLED "OFFICIAL" LABOR MINISTRY ELECTION FIGURES LEFT MUCH TO BE DESIRED IN TERMS OF ACCURACY. THE MINISTRY'S PROVINCIAL DELEGATES (DELEGADOS DE TRABAJO) WERE HAVING TO WORK WITH OUTDATED 1975 INDUSTRIAL CENSUS FIGURES WHICH OFTEN DID NOT REFLECT THE CURRENT STATUS

OF PLANTS OR PLANT WORK FORCES. THUS, THEY WERE IN  
EFFECT MERELY A TRANSMISSION BELT FOR RAW AND  
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UNAUTHENTICATED ELECTION DATA. ABRIL HAD ALSO MADE IT  
A POINT TO EMPHASIZE THE STRONG SHOWING OF "INDEPENDENT"  
WORKERS, THE IMPLICATION BEING THAT THEY REPRESENTED  
A POTENTIAL "THIRD FORCE" IN THE SPANISH LABOR SCENE.  
FINALLY, SIMON EXPRESSED SATISFACTION THAT THE UGT  
WAS DOING AS WELL AS IT WAS VIS-A-VIS THE SWC, IN VIEW  
OF THE FACT THAT THEIR UNION HAD ONLY SOME 140  
FULLTIME STAFFERS NATIONWIDE WORKING ON THE PLANT  
ELECTIONS COMPARED TO "OVER ONE THOUSAND" AT THE  
DISPOSAL OF THE SWC. HE MADE IT A POINT TO NOTE THAT

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THE UGT WAS DISAPPOINTED AT THE LEVEL OF PSOE ELECTION  
CAMPAIGN ASSISTANCE. STABLER

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## Message Attributes

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**Draft Date:** 03 mar 1978  
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